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THE STRUCTURE OF ANARCHY OR THINKING ABOUT THE GLOBAL

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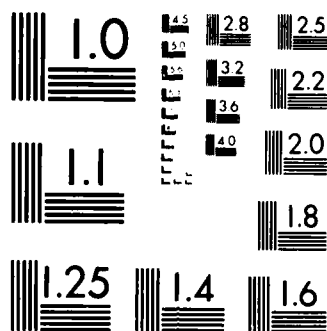
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PROFESSIONAL PAPER 419 / April 1980

AD-A153 772

# THE STRUCTURE OF ANARCHY OR THINKING ABOUT THE GLOBAL EFFECTS OF EXTREME TENSION IN SOUTHWEST ASIA

Kenneth G. Weiss

*N00014-83-C-0725*

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IN SOUTHWEST ASIA

INTRODUCTION

The Soviet invasion of Afghanistan in December 1979 suggests a problem that requires a considered assessment: even if U.S. power proves effective in deterring further aggression in Southwest Asia, U.S.-Soviet tensions there might accelerate trends toward instability elsewhere.

To assess this problem this paper will:

- Summarize the world economic situation and its impact on world political stability.
- Examine political trends on a region by region basis.
- Identify potential areas of U.S.-Soviet competition that seem possible over the next two years as a result of continuing superpower tensions in Southwest Asia.

Time and resources rule out a highly empirical and detailed review of all available evidence. This study will employ a qualitative approach that draws on open sources to produce an overall assessment.

Let us now turn to a discussion of the impact of the revolution in Iran and the Soviet invasion of Afghanistan on the world's political and economic structure.

ECONOMIC IMPACT

Even more than the Arab oil boycott in 1973, the revolution in Iran and the invasion of Afghanistan highlighted the vulnerability of the United States and the world economy to instability in the Persian Gulf area.

The United States is an integral part of a Western-oriented world economic machine lubricated by oil. The United States already imports 45 percent of its petroleum. America's allies and trading partners in West Europe and Japan, which have little indigenous oil resources of their own, import an even higher percentage of their oil. As the Arab oil boycott demonstrated and the Iranian revolution confirmed, a major disturbance--real or imagined--anywhere in the supply of oil to the world market drives up the price of oil generally, regardless of origin, destination, or degree of dependence.

To pay for higher priced oil after the 1973 boycott, the industrialized West expanded its exports to the developing countries.<sup>1</sup> The oil producing developing countries went on a buying binge. Since 1973, 13 OPEC members spent \$660 billion (of \$893 billion) in revenues on everything from airports to cars.<sup>2</sup> The rest, approximately \$250 billion, was recycled to oil importing developing countries through OPEC deposits in Western banks and through official lending institutions like the IMF. In this way, these Third World countries were able to finance their imports of oil and Western technology and manufactured goods. In turn, continued Western economic growth meant markets in the West for Third World raw material resources other than oil and for Third World manufactured goods like textiles. For some developing nations, especially the newly industrializing ones like Brazil, South Korea, and Taiwan, the 1970s were years of rapid economic growth.

However, the revolution in Iran severely disrupted the world economic equilibrium established after the 1973 oil shock. The overthrow of the Shah of Iran in the fall and winter of 1978-1979 produced a temporary shutdown in Iranian oil exports, spot oil import shortfalls in various countries, and a doubling of world oil prices to \$30 a barrel. Continuing instability in Iran, the hostage crisis, the transnational nature of Iran's Islamic revolution, and the Soviet invasion of Afghanistan have further heightened the sense of economic crisis.<sup>3</sup>

It seems unlikely that the West will be able to finance the new round of higher oil prices by increasing exports to the Third World. The shopping spree by OPEC countries seems to be tapering off. Many of the Persian Gulf states--where two-thirds of the world's exportable oil is located--attribute the Shah's downfall to his effort to rapidly modernize Iran. In this effort, the Shah antagonized traditional groups like the mullahs, increased the opportunities for corruption, and produced a combination of inflation and recession in the economy. Thus, the Gulf states are slowing their modernizing efforts and their purchases in the West. Furthermore, the market for Western exports to the oil-importing developing countries is drying up.

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1. For example, U.S. exports to developing countries are now greater than those to the European community.

2. Inflation and the decline of the dollar reflected in the cost of these goods also helped reduce the monetary imbalance between OPEC and the developed countries.

3. The price of gold is one barometer of the prevailing sense of economic confidence--or lack thereof. With the onset of the hostage crisis and the Kremlin's Afghan adventure, the price of gold reached record heights. Although prices have since fallen, gold prices remain high.

Even before the Iranian revolution, Western bankers were beginning to worry about the ability of some Third World countries to repay the principal and interest on their rapidly mounting debts. Seventeen percent of all foreign exchange earned by the LDCs is used to pay the interest and carrying charges on their loans. Where the non-OPEC countries borrowed \$22 billion in 1978 to cover their debts, they will be forced to borrow \$50 billion in 1980. International bankers are increasingly reluctant to lend substantial additional funds to the strapped Third World nations. Official institutions like the IMF can and probably will take up the slack, but IMF loans come with stringent conditions attached.<sup>1</sup> These usually include cutting imports by methods like devaluing the local currency.

In the absence of opportunities for export growth, Western countries are being forced to contract their economies to absorb the inflationary effects of the oil price rise.<sup>2</sup> This, in turn, will contribute to economic difficulties in the non-OPEC developing countries as markets for their raw materials and manufactured products decline. Indeed, unemployment in the West will encourage protectionist sentiments against Third World manufactures like textiles. The newly industrializing countries like Brazil and the Asean countries will experience difficulties. For example, South Korea's growth rate of 10 percent in the 1970s is expected to slow to 5 percent in 1980. Inflation is running at about 30 percent, and at \$4.50 a gallon, South Korea has the most expensive gasoline in the world. Yet, the South Korean economy (and consequently the country's credit rating) remains relatively strong. Consider the plight of countries like Peru, Zaire, and Turkey whose foreign debts and oil import bills have pushed to the edge of bankruptcy.

Ironically, Western aid to the LDCs, in the form of grants and low interest loans, is not likely to keep up with their needs because Western countries with their own economies in trouble are not likely to substantially increase their foreign aid budgets. For example, budgetary considerations have, in part, delayed Congressional action on a \$75 million loan to Nicaragua. The U.S. Office of Management and Budget

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1. One of the more gruesome scenarios: A heavily indebted Third World country defaults to a major bank causing that bank and others like it to fail. As in the depression, the international banking system collapses bringing world trade and commerce to a halt. Thus, the IMF and Western financial institutions will try to work to prevent something like that from happening. However, if there were to be a wave of defaults by Third World countries, the system might not be able to sustain such a shock.

2. What is a bit worrisome is that Western countries seem to be competitively raising interest rates in order to attract funds from abroad as well as to slow economic growth. If this should get out of hand like the competitive devaluations in the thirties, Western economic cooperation necessary to stave off disaster might be seriously eroded.



reportedly had a large say in determining the \$400 million figure in economic and military aid to Pakistan, which President Zia al-Haq dismissed as "peanuts."

Although a contraction in the world economy ought to reduce the demand for oil,<sup>1</sup> supplies are likely to remain tight until conservation and/or substitutes can significantly reduce consumption. Limited incentive for production increases, economic uncertainty, fears of over-rapid development and for the safety of their deposits in Western banks<sup>2</sup> have encouraged some countries like Abu Dhabi, Venezuela, Kuwait, and Iran to decrease oil production. Saudi Arabia reportedly is not anxious to increase production over the present 9.5 million barrels a day. In addition, continued growth of East European (and the advent of Soviet) oil imports increases the likelihood of tight supplies and high prices even if Western and Third World demand declines. Thus, the world economy will remain highly vulnerable to political shocks in the Persian Gulf area like the revolution in Iran and the Soviet invasion of Afghanistan.

#### POLITICAL IMPACT

Slower economic growth rates as a result of events in Southwest Asia will exacerbate political problems of the oil importing countries. This will be particularly the case in oil importing Third World countries.<sup>3</sup> Political and economic problems in these countries are likely to increase the frequency of coup d'etats, insurrections, terrorism, civil wars, and regional conflicts.

Paradoxically, the oil-exporting countries themselves may suffer from the general instability. As in Iran, their problems may stem from the inequitable distribution of the petrodollars, dissatisfaction with the pace of development, unresponsive authoritarian governmental and social structures, the erosion of the power of traditional (often religious) elites, corruption, ethnic animosities, and transnational ethnic aspirations.

East-West tensions in Southwest Asia will probably add to instability in the Third World as the U.S. and the Soviet Union intensify their competition for clients and influence. Some Third World regimes will actively exploit the rivalry to obtain superpower support for their own

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1. A small surplus in the market is likely to develop this year.

2. The freeze of Iranian assets in the hostage crisis has encouraged this fear.

3. Economic based political problems will not be confined to the Third World. In the U.S., high oil prices have contributed to high inflation. President Carter lost two primaries recently in New York and Connecticut, as a result, in part, of rising inflation. Economic problems have also caused leadership changes in Poland's communist government.

internal security or regional aspirations. For example, Morocco has recently obtained U.S. arms in order to enforce its claims to what was once the Spanish Sahara. Some fearing the regional clients of one superpower will strengthen their relations with the other superpower. The U.S. quest for military facilities in Oman, Kenya, Somalia, and perhaps Egypt will intensify the dependence of Ethiopia, South Yemen, and Syria on the Soviet Union. In the wake of Afghanistan still other countries like pro-Western Pakistan are highly susceptible to Soviet intimidation.

Thus, worldwide political and economic stability will probably present the Soviet Union numerous opportunities to expand its influence in the Third World.<sup>1</sup> To the extent the Soviets do so will depend on the cost—economic, political, and military. Moscow's economic weakness inevitably puts some constraints on its foreign activities. As it is, the Soviets generally use military rather than economic aid to influence Third World countries. However, the West's ability to counter Soviet influence with economic aid is likely to be inhibited by the West's own economic difficulties. Indeed, the Soviet propensity to provide military aid enhances the possibility that Third World recipients will use force to resolve internal or regional problems.

For military and political reasons, the Soviets are not likely to initiate further military adventures until Afghanistan is pacified. International outrage, particularly that of the Third World expressed in the General Assembly vote and the Islamabad Conference, has stung the Soviets. Previously, Moscow has been careful to be on the right side of international law and/or Third World opinion in interventions like Angola and Ethiopia. That this is the Soviets' preferred *modus operandi* is indicated by the Kremlin's clumsy attempt to justify its Afghan intervention as being at the request of the Kabul government. Thus, the Soviets will probably be inclined to forego military interventions until the furor over Afghanistan subsides. Furthermore, the Soviets will not want to add to military burdens already incurred in Afghanistan and in supporting antiguerrilla operations in Ethiopia, Angola, and Cambodia.

However, deteriorating economic and political conditions in the Third World will present the Soviets ample opportunities for subverting pro-Western governments by supporting radical groups and revolutionary or nationalist movements. In addition, if the opportunity for a "quick kill" through a modest use of military force presents itself, the Soviets are not likely to hesitate. This is evidenced by their involvement in the April 1978 coup against the Daoud government in Afghanistan and by their support for the Fatah Ismail coup in South Yemen in June 1978. It is, of course, quite possible that Moscow could miscalculate and that a marginal operation could turn into a massive military

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1. After all, the Soviet Union provides a better model for the management of economic and political stagnation than the West.

involvement--as it did in Afghanistan. It is also possible that a Soviet client could become involved in a conflict not envisioned by the Kremlin and that Soviet military support might be necessary to save that client from catastrophe. That could happen if war broke out between Israel and Syria. Let's now look at the world by region and identify potential trouble spots.

In Europe, Yugoslavia, and Turkey bear careful watching. As a result of Tito's balancing act, Belgrade has managed to straddle the three worlds: Yugoslavia is a communist state with strong Western economic and political ties as well as a founder of the nonaligned movement. How long Yugoslavia can walk this tightrope after Tito's death is uncertain.

Yugoslavia's economy is in trouble. The official rate of inflation is 30 percent, but it could be a much higher 75-80 percent. Last year, the country ran a \$6 billion dollar trade deficit. Unemployment is running 15 percent. To deal with the economic problems, some in Yugoslavia advocate economic discipline, a less controlled market, a closer economic association with the European Community, and political reforms. However, when Tito introduced political and economic reforms in the late 1960s, there was an upsurge of regional nationalism and turmoil in the communist party. Tito was forced to draw back from his effort to replace ex-partisans with technocrats in key spots. Thus, new reforms may be accompanied by a struggle between the ex-partisans and technocrats, as well as a rise in regional nationalism. Yet, regional troubles could occur if the economy continues to stagnate.

Economic and political reforms also have international implications. A closer association with the EC would put Yugoslavia's non-aligned credentials in doubt.<sup>1</sup> That association and other reforms could be cause of concern to Moscow. For all his shortcomings from the Soviet viewpoint, Tito was still a Communist. According to Duncan Wilson, former British Ambassador to both Moscow and Belgrade, the Soviets have always been concerned about Yugoslavia as "a source of political infection in Eastern Europe." Further liberalization and westernization would heighten that concern. Furthermore, the Kremlin would like to turn Yugoslavia into an obedient satellite, according to Wilson, because of the country's strategic location on the Mediterranean Sea and because Belgrade has impeded Soviet efforts to tie the nonaligned nations to its "anti-imperialist cause." In fact, Belgrade recently denounced a Soviet bloc media campaign to split Yugoslavia from the nonaligned movement. However, Moscow is not likely to invade Yugoslavia upon Tito's death. Belgrade, with a well-trained army and reserves, has been practicing

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1. Previously, Yugoslavia was careful to keep its relationship with the EC on a level enjoyed by other nonaligned nations. Recently, Belgrade has negotiated an agreement with the EC that would make Yugoslavia an associate member in all but name.

since 1948 to repel a Soviet invasion with a combination of conventional and guerrilla tactics. Rather, the Soviet Union is more likely to try and upset the post-Tito collective leadership by exploiting regional and economic troubles to foster the emergence of a pro-Soviet Yugoslavia. For example, Moscow could encourage Bulgaria to disrupt her official relations with Yugoslavia and stir up Bulgarian ethnics in Macedonia. A pro-Soviet group could then emerge and ask Moscow for help in dealing with Bulgaria and Yugoslavia's regional and economic troubles. However, if Belgrade can successfully exploit the people's fear of the Soviet Union, as Tito did, Yugoslavia can maintain its internal equilibrium and its independence.

If anything, Turkey's economic and political troubles are worse than Yugoslavia's. Inflation and unemployment are running at 100 percent and 12 percent, respectively. Turkey is unable to meet its oil import bill. The country has experienced religious riots, terrorists killings, and communist-led labor strikes. Nine hundred people have died in the unrest in the last four months. The military has warned the government to make greater efforts in combatting "terrorists and anarchists"—a warning many have interpreted as a veiled threat of a military coup if order is not restored.

Ironically, Turkey's economic and political situation and events in Southwest Asia have had the effect of improving relations between Ankara and its NATO allies, especially the U.S. The U.S. arms embargo in 1975 following Ankara's intervention in Cyprus brought about the closure of U.S. bases in Turkey and a thaw in Soviet-Turkish relations. But the loss of U.S. listening posts in Iran and the Soviet invasion of Afghanistan led Ankara and Washington to compromise on the reopening of U.S. bases and the amount of U.S. aid to Turkey. The Turks are also asking for additional aid this year from their Western allies to cover essential imports and repayments on its \$14 billion debt. The U.S. along with the other members of the OECD have pledged the Turks \$2 billion in aid directly or through various multilateral agencies.

However, the harsh economic measures that the Suleyman Demirel government has introduced to curb inflation and the balance of payments deficit promise hard times for most Turks. Nor is Turkey immune to the religious unrest and the ethnic disturbances (the Kurds) that trouble neighboring Iran. Thus, political unrest is likely to continue. The danger then of a military coup remains. Such a coup might or might not restore order. If it did not, the country might degenerate into civil war that could bring about a government hostile to NATO. In which case, Turkey would be lost to the Atlantic alliance.

In the Mideast, the threat of war involving Syria, Israel, and Lebanon no longer seems imminent. Syria's announcement that it was withdrawing its peace-keeping forces from Lebanon, Syrian troop movements reinforcing its positions against Israel, an influx of Soviet military equipment and advisers into Syria concerned Israeli officials

during most of February. It was feared that Damascus was either planning a limited military action to distract the Syrian populace from internal sectarian disturbances or position itself for an Israeli retaliation against a PLO terrorist attack designed to disrupt normalization of relations between Egypt and Israel. Soviet Foreign Minister Andrei Gromyko's visit to Damascus heightened these concerns. It was thought that Moscow might want a limited war between Israel and Syria to distract attention away from events in Afghanistan. However, Syrian President Assad was undoubtedly aware that Damascus was not ready for military action even if the Soviets were willing to send troops to stave off an Israeli counterattack. Furthermore, the PLO has been rather quiescent lately--apparently hoping to achieve through diplomatic means goals it has failed to achieve through terrorism. Nor is it likely that Assad would deal with domestic religious troubles by attacking Israel.<sup>1</sup> Generally, one does not commit suicide to avoid assassination. However, the whole episode underscores the fact that tensions remain high on Israel's northern border. An accidental conflict that neither Syria nor Israel wants cannot be ruled out. If such a conflict broke out, there is no reason to assume that Israel, the preeminent military power in the region, would limit her effort to merely countering Syrian military action. If not, the Soviets might intervene militarily to save the Syrian army from destruction or to defend Damascus.

In the Persian Gulf, Iran is the most obvious trouble spot, but Saudi Arabia could turn out to be the most serious one. Iran is beset by domestic and foreign troubles. Factional strife is the rule. In Teheran, there is a power struggle going on between the more "moderate" President Bani-Sadr and the Islamic militants in the Revolutionary Council. That struggle is likely to continue when the new Parliament convenes. (The clerical Islamic Republican Party will probably constitute the largest party in Parliament.) The militants holding the American hostages--who have become a significant political force in the country--are also beset by factions: Some are PLO sympathizers, some are Marxists, others are Islamic radicals, and still others are there for the excitement. Iran is also riven by ethnic disturbances among Arabs, the Kurds, the Baluchis, and the Turks. Like oil production, the economy is in decline. As a result of the hostage crisis, Iran is generally isolated from Islamic and other nations. Tensions are high between Iraq and Iran. The Iranians apparently fear that Iraq will

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1. Friction between the generally Sunni populace and the Alawite dominated government of Hafez Assad has led to unrest, assassination, and terrorism in Syria. Such so that Assad has had to send an army division to the vicinity of Aleppo and Hama to overawe their citizens. However, if actual fighting were to break out, Syria's conscript army composed of Sunnis would be unreliable. Thus, the upsurge in Islamic fundamentalism is a severe threat to Assad's regime and parenthetically the Soviets who support him. In Syria, the Soviets may experience their own Iran.

press its claims to parts of the oil rich Khuzestan province, stir up trouble among the Iranian Kurds or seize the Iranian Persian Gulf islands of Abu Musa and the Tunbs. Soviet troops have maneuvered near the Iranian border. They are also attempting to suppress an Islamic rebellion in neighboring Afghanistan. Remarkably, the prestige of the Ayatollah Khomeini is such that the country has managed to maintain its unity in the face of these domestic and foreign troubles, and he remains the key to the hostage crisis and Iran's future. Yet, it is Khomeini's policies that have contributed to the factional strife and Iran's foreign troubles. Thus, the ailing Ayatollah remains such an enigma that it is difficult to predict whether or not his death would stabilize or destabilize the country. In such an event, factional strife could break out into civil war, or one faction could win the power struggle and impose order on the country.

In all of this, the attitude of the Soviet Union is crucial. With the Shah of Iran, Moscow enjoyed valuable economic relations and a stable southern border. Yet, the Soviets are so intent upon their competition with the United States that they encouraged the revolutionary movement in Iran despite its damage to Soviet-Iranian economic ties and its militantly Islamic nature—a potential source of unrest among the Soviet Union's Moslem peoples. The Moscow-oriented Tudeh party has supported the Ayatollah Khomeini and joined the Islamic militants in discrediting the moderate Iranian political parties. (The Islamic right, in fact, has taken much from socialist economic doctrine.) The Hungarians, no doubt with Soviet approval, are trying to swap socialist economic expertise for Iranian oil. The Soviets have supported Iran in the hostage crisis, if not in the holding of the hostages. They have repeatedly warned the U.S. against intervening militarily against Iran and have frustrated U.S. efforts to impose U.N.-sponsored economic sanctions on Iran. The Soviets obviously welcome the current instability in Iran, and they intend to exploit it. They have reportedly flooded Azerbaijan with agents. Their military maneuvers near Iran's borders and their presence in Afghanistan help the Soviets intimidate Iran. Soviet aircraft have violated Iranian airspace. Thus, Moscow will try to influence events in Iran by a mixture of intimidation, subversion, and encouragement of Iran's anti-American proclivities. Whether or not Iran will retain its unity and independence in the face of Soviet machinations is difficult to predict. Even if it does, Iran, imbued with its Islamic mission, will probably become, like Libya, an endless source of annoyance to the U.S.

The attack on the Grand Mosque in Mecca and disturbances among the largely Shia population of the Eastern province in November 1979, have raised serious questions about the political stability of Saudi Arabia. A number of facts seem to contradict the Saudi assertion that the assault on the Grand Mosque was carried out by an isolated band of religious fanatics. The attack was well planned. The gunmen were well armed and trained. Although largely composed of Saudis of the Otaiba tribe, the band included Kuwaiti, Yemeni, Pakistani, and Moroccan

students. These facts suggest that the episode was part of a larger conspiracy. This conclusion is reinforced by claims that the attackers obtained their arms from National Guard stocks and that former National Guard officers were among the group's leaders.<sup>1</sup> Reportedly, the Mecca assault was part of a complex scenario envisioning uprisings throughout Saudi Arabia. Although unrest among the Shia populace was unrelated to events in Mecca, it is worrisome nonetheless. The disturbances took place near the main oil installations in Dhahran and Dammam.

However, numerous reasons have been cited to prove that Saudi Arabia is not another Iran. For example, the Saudi government has largely avoided the secularization that alienated the religious class in Iran. (And in the wake of the Mecca incident, the Saudis have redoubled their efforts to enforce religious principles.) The sheer size of the Royal Family allows it to permeate the country's institutions and to identify unrest before it becomes troublesome. The institution of the Majlis which allows any Saudi to bring his grievances before the King or members of the Royal Family keeps the ruling elite from being isolated from the populace. Saudi Arabia's wealth and small population have allowed each Saudi, unlike the average Iranian, to benefit from the country's oil revenues, despite the skewed distribution and corruption. Furthermore, the government has taken efforts to curb corruption. It has also slowed modernization efforts to avoid severe disruptions in Saudi Arabia's traditional society. The army and paramilitary National Guard are maintained as separate and competing institutions. Saudi Arabia's Shia population is relatively small. However, if the ailing King Khalid should die and a power struggle erupt in the Royal Family over the succession and other posts in the government, the cohesion of the ruling class might break down and make the government vulnerable to a well armed and determined group of revolutionaries--perhaps based in South Yemen.

Soviet influence in the Yemens has been growing despite Saudi efforts to block Moscow's inroads throughout the peninsula. Saudi efforts to use its petrodollars to reduce Soviet influence in South Yemen came to frustration with Fatah Ismail's coup in June, 1978. Despite Saudi disapproval, North Yemen has increased its dependence on Soviet arms and advisors. More worrisome, efforts are underway to unite the populous Yemens--a union that would undoubtedly be dominated by radical South Yemen. Not only would such a union pose a potential military threat to Saudi Arabia, but also the danger that the large number of

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1. This would not be the first time that Saudi military personnel have been discovered plotting against the regime. In October and November, 1977, a number of officers and larger numbers of civilians were tried for plotting against the government. Of these, three air force officers were tried in absentia after flying their planes to Iraq. The plotters were accused of trying to overthrow the Royal Family and establish a democratic revolutionary state.

Yemeni workers in Saudi Arabia would become radicalized and troublesome to the Saudi regime. However, previous efforts to unite the Yemens have failed. It is also questionable that the Soviets would support a union of the Yemens at this time. Such a dramatic shift in the local balance might bring a severe reaction by Saudi Arabia--supported perhaps by the U.S.--against the Yemens. The Saudis have in the past used their wealth and influence to incite various friendly tribes against the regimes in Sana and Aden. Nor have the Saudis shrunk from assassination and military gestures to achieve their goals. Rather, it seems likely that the Soviets will continue to try to increase the Saudis sense of isolation and pressure them to establish relations. In this way, they could eventually hope to weaken the interdependency relationship between the U.S. and Saudi Arabia without drawing a reaction from either.<sup>1</sup> However, the Soviets may couple such a policy with support--within limits--for efforts, probably South Yemeni, to stir up grievances among Saudi Arabia's guest workers and other dissident elements.<sup>2</sup>

According to Stephen Cohen, a specialist on Pakistani affairs, the military regime in Islamabad believes it is threatened on three fronts--the Afghani, the Indian, and the domestic. On the Afghan front, the military government fears that the Soviets might use Israeli-style tactics to embarrass and destabilize the regime by making military strikes with impunity on the refugee camps clustered on the border. Although they believe the army would give a good account of itself, Islamabad is under no illusion that it could resist a determined Indian attack, if one occurred. On the domestic front, they fear unrest and disturbances among the populace against the authoritarian military government. The economy is in a shambles. (Islamabad is seeking a billion dollars in economic aid and a rescheduling of its debts.) There is fear of ethnic unrest among the Baluchis and Pathans although the government in the past has largely controlled that unrest. The Pakistanis feel that they could handle one but not two of the three potential threats to Pakistan.

The Soviets seem to have exploited these fears in order to block rapprochement between the U.S. and Pakistan. Publicly and no doubt privately, Moscow warned the Pakistanis not to support the Afghan guerrillas and laid the legal basis for hot pursuit of Afghani tribesmen into Pakistan. Indeed, Soviet planes have violated Pakistani airspace. In turn, the Soviets have exploited Pakistan's fear of the Indians through kind remarks about India. (Indira Gandhi's vague pronouncements about

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1. In early 1979, the Soviets tried to establish diplomatic relations with Saudi Arabia--albeit unsuccessfully--by exploiting strains in U.S.-Saudi relations. They also warned that the fate of the Shah should serve as warning to other countries that cooperate with the U.S.

2. A Saudi Arabian communist party was established in 1975 and this party has looked for support among the guest workers who have come to find jobs in Saudi Arabia's economy.



Soviet involvement in Afghanistan and her opposition to U.S. arms aid to Pakistan have no doubt been appreciated by Moscow.) It is also quite possible that the Soviets inspired the recent appearance of leaflets using Soviet style rhetoric to denounce the Zia regime. Apparently, Islamabad felt that the size of the U.S. military and economic package was not worth the risk of antagonizing the Soviets and Indians and of opening the regime to accusations by its domestic opponents that it had become a U.S. puppet.

Whether or not Islamabad's decision to refuse the U.S. aid package and fall back on its nonaligned status will preserve the regime in power or prevent the country's dismemberment is difficult to say. Mr. Cohen believes that Pakistan's professional army is the only organizing force in the country and that, if the present government of Zia al-Haq were replaced, it would be by another conservative military regime. Yet reports of an attempted military coup, the military's dilatory response to the burning of the U.S. embassy, the circulation of unauthorized political tracts (after the refusal of U.S. aid), the dissatisfaction of supporters of the previous civilian Bhutto regime all pose serious questions about Pakistan's stability in the short- and long-term. Furthermore, Soviet frustrations in dealing with the Afghani guerrillas may provoke the Soviets to strike at the refugee camps whatever Pakistan's diplomatic stance.<sup>1</sup> Indeed, the Soviets may be tempted, if not now perhaps after Afghanistan is pacified, to stir up unrest among the Baluchis in the hopes that an independent Baluchistan would grant them military facilities at Gwador on the Indian Ocean. Thus, the Pakistanis seem to be in for interesting times—as the Chinese curse would have it.

In North Africa, Morocco and Tunisia give some cause for concern. The war over the former Spanish Sahara between Morocco and indigenous guerrillas, the Polisario, has been dragging on since 1975. (Mauritania which had joined Morocco in dividing up the territory has given up the struggle in the face of Polisario guerrilla activities.) Moroccan military efforts have been frustrated by the guerrillas' ability to slip across the Algerian border to their base at Tindouf. The guerrillas, in turn, have been able to carry the war into Morocco against isolated towns and military units. Besides Algeria, the Polisario has found widespread support in Africa. In fact, if five more governments recognize the guerrillas, the Polisario will be admitted to the OAU. In that case, Morocco's war in the Sahara will receive official African condemnation. The Cubans and Soviets have placed themselves on the side of African opinion by supporting the Polisario. In an effort to aid pro-Western governments, the U.S. has provided limited military aid to Morocco. This, in turn, seems to have stiffened Moroccan resistance to

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1. For the time being, the Soviets will probably restrain themselves in order to prevent the war from widening, to avoid driving Islamabad into the U.S. camp, and to keep from further outraging international opinion.

a political solution to the problem. However, the main problem is that the war is very popular in Morocco. Yet, King Hassan's inability to bring it to a successful conclusion may undermine the regime. Thus, in frustration the King might order his troops to pursue the guerrillas into Algeria, precipitating a conflict between Rabat and Algiers that would, among other things, frustrate Algeria's efforts to reduce its military dependence on the Soviet Union.

In the wake of the Libyan-sponsored attack on Gafsa, the advanced age of President Habib Bourguiba and the illness of Premier Hedi Nouira give cause for concern regarding Tunisia's stability. The purpose of the raid apparently was to incite Tunisians to overthrow their government and invite Libyan military support. The raid had the opposite effect. Tunisians rallied around their government. Libya drew criticism from Algeria, where the raid was launched. France dispatched a naval force to waters near Tunisia. The U.S. determined to provide Tunisia with arms. These actions may deter Libya in the future from exploiting instability in Tunisia generally or as a result of the death of the President and/or Premier. Yet the unpredictable nature of the Libyan regime gives cause for worry. The danger is less that Libyan efforts will succeed in overthrowing the Tunisian regime but that Egypt might feel it necessary to prevent Libya from doing so. A conflict between Libya and Egypt could draw the Soviet Union into the fray. However, the more likely outcome is that Algeria and Egypt along with other Arab states will thwart any Libyan efforts to destabilize Tunisia--through diplomatic means or perhaps military gestures.

Except for the prospect of civil war in Chad, subsaharan Africa seems remarkably quiet. In southern Africa, an uneasy peace has settled over the newly independent nation of Zimbabwe. The whites seem to have accepted the decision of the electorate which installed their enemies, the former guerrilla leaders Robert Mugabe and Joshua Nkomo, as the new rulers of Rhodesia. It is, of course, possible that the new coalition government will become a source of Soviet-oriented radicalism throughout southern Africa. Although both guerrilla leaders received help from the Soviets and their friends, Mugabe, whose party controls a majority of the Parliament seats, was not as close to the Soviets as Nkomo. In addition, Mugabe is reported to be a practical man who understands the importance of economic ties with the West and South Africa.<sup>1</sup> And as a military man, he no doubt appreciates the vulnerability of Zimbabwe to South African military strikes if he were to vigorously support revolution in South Africa.

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1. Indeed, apparently the guerrilla leaders resisted Soviet offers of additional arms aid in return for breaking off the London talks which led to the Rhodesian elections. Reportedly, Mugabe, a Catholic, attended Mass while in London. Something he was not wont to do when he was seeking East bloc arms aid. Apparently, Salisbury is worth a Mass.

In Namibia, the UN and South Africa have yet to agree on a format for elections. However, Soviet support for Swapo is likely to be perfunctory since it exposes Angola to South African retaliation. Zaire is still exposed to Katanganese attacks against Shaba from Angola or Zambia. The regime remains corrupt, bankrupt, and militarily weak despite Western efforts to turn things around. Zaire then is a likely place for trouble to break out in the short term.

In the Horn, Soviet and Cuban supported Ethiopia continues its efforts to suppress guerrillas in Eritrea and the Ogaden. In the Eritrean conflict, South Yemen is probably helping Ethiopia logistically. Close Ethiopian-South Yemeni relations pose the threat of Soviet influence over shipping through the Bab-el-Mandeb in a crisis. In the Ogaden, the Ethiopians and the Cubans control the towns, but the Somali-supported guerillas control the countryside. In fact, it is possible that Somali army regulars have also operated on the wrong side of the border. At least some of the military equipment the U.S. provides Somalia in return for access to military facilities at Berbera is likely to find its way into the Ogaden. Superpower support may also reduce Somalia's sense of danger from Ethiopia further inspiring Mogadiscio to intensify the guerrilla war in the Ogaden. U.S. intention to become involved in Somalia has not been well received in Addis Ababa. The prospect of U.S. arms shipments to Mogadiscio has prompted Ethiopia to threaten a military invasion of Somalia that could lead to an attack on the military facilities at Berbera. However, cross border operations would probably be difficult without Cuban logistical support, but the Ethiopian air force is by itself quite capable of making air strikes against Somalia. Yet, it is unlikely that the Soviets and Cubans would be anxious to precipitate a confrontation with the U.S. in the region. Thus, a U.S. military presence in Berbera may prompt Ethiopia's backers to restrain Addis Ababa against military action vis-a-vis Somalia, but even so, it will probably reinforce Ethiopia's dependence on Moscow and Havana.

In Southeast Asia, Vietnam's efforts to solidify its control over Indochina pose problems for Thailand. Thailand's danger is somewhat similar to Pakistan's. Large numbers of refugees from Cambodia and Laos have congregated on the Thai side of the border. Resistance groups especially those fighting Vietnamese and Vietnamese-backed Cambodian forces find refuge in and draw support from those refugee camps. Khmer rebels often cross into Thailand when the Vietnamese make things too hot for them in Cambodia. The Vietnamese charge the Thais with helping anti-Vietnamese forces. The Thais fear that the Vietnamese might cross the borders in force to clear out the refugee camps or in hot pursuit of Pol Pot forces or other Cambodian resistance groups. Despite a Thai military buildup, Bangkok is no match for Hanoi.

A Vietnamese incursion in force would also exacerbate political problems for Thailand. The refugees' sojourn in Thailand is not popular. There is a widespread feeling that Thailand can ill afford the

refugees presence economically, even though the UN picks up the tab. Such feelings are reinforced by the poor state of the economy. Thailand is experiencing 20 percent inflation and government mandated price increases of gasoline, cooking gas, and diesel fuel helped precipitate the resignation of Prime Minister Kriangsak Chamanan. Politically, it is argued that not only does the refugees' presence offer the possibility of confrontation with Vietnam, but it is also destabilizing. Gun battles have broken out between factions of the right wing Khmer Serei and between the Khmer Serei and Pol Pot's Khmer Rouge. Thus, Vietnamese incursions could precipitate political unrest in Thailand.<sup>1</sup>

Although there have been artillery and mortar incidents and Vietnamese patrols have crossed the border, Hanoi's military forces have generally respected the Thai border. (Indeed, the oft predicted "dry season" offensive against the Cambodian "bandits" has failed to materialize.) No doubt they have given due consideration to U.S. and Chinese statements supporting Thailand.<sup>2</sup> They are probably especially concerned that, like their initial invasion of Cambodia in 1978-1979, an incursion into Thailand would be punished by a Chinese invasion of northern Vietnam (or Laos). And if they are not, the Soviets probably are. A Chinese invasion of Vietnam over Thailand, a U.S. ally, could precipitate a Soviet confrontation with China and the U.S. Thus, Moscow, which is providing Vietnam with arms and supplies, is probably counselling restraint for its ally. Furthermore, Vietnam's economy is in a shambles. Hanoi's recent reshuffling of its leadership indicates that economic considerations have risen in importance. Not only would incursions into Thailand raise the prospect of a wider war further harming the economy but also damage any hopes Hanoi has of forging economic ties with Asean. However, guerrilla activity in Cambodia continues to annoy the Vietnamese backed regime in Phnom Penh. The Vietnamese have a penchant for choosing military solutions to their problems. Moscow's influence in Hanoi is limited. The Vietnamese are proud of their achievements in conflicts with the U.S. and China. Thus, frustration might eventually tempt Hanoi to risk the consequences and invade Thailand.<sup>3</sup>

In the Philippines, the results of local elections demonstrate the depth of opposition to the martial law regime of President Ferdinand Marcos. Anticipating worsening economic conditions (the cost of projected oil imports is expected to equal 50 percent of Manila's export earnings), Marcos called the first local elections in nine years in

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1. It is quite possible that the Thais might decide to deal with the situation by forcing the refugees across the border into Cambodia.
  2. The Thais are also somewhat worried that their hostile relationship with Vietnam has made them dangerously dependent on China.
  3. Other possible Sino-Soviet confrontations arising out of Sino-Vietnamese conflicts could occur as a result of border clashes along the Laotian and Vietnamese borders and over conflicting Chinese and Vietnamese claims to the Paracel and Spratly islands.

hopes of broadening the base of his regime. During the election, Marcos campaigned hard and spent lavishly. Although his candidates generally won, the opposition candidates did remarkably well despite the fact that they were given little time to campaign and were virtually unknown. In addition, the revival of Islamic fundamentalism has apparently led to an upsurge in anti-government activities by the Moslem Moros of Mindanao island. Worse, the Catholic Church, a powerful voice in this predominantly Catholic country, has begun to criticize the Marcos regime. Thus, the stability of the Marcos government may be severely affected by worsening world economic conditions.

Despite the assassination of President Park Chung Hee in October 1979, the situation on the Korean peninsula seems relatively stable. North Korea apparently was impressed by U.S. warnings and naval movements in the vicinity of the peninsula. Increasingly close ties between Peking and Washington virtually rule out Chinese support for a North Korean invasion of the South. Pyongyang's denunciation of the Soviet invasion of Afghanistan, indicates, if nothing else, that the Soviets are not inclined to distract attention away from events in Southwest Asia by stirring up trouble between the Koreans.

If anything South Korea's troubles are internal. As mentioned earlier, Seoul cannot expect the economy to grow as rapidly as in the past. Slower economic growth is coming at a time when South Korea is trying to make a difficult transition from authoritarian to more democratic rule. So far the present civilian government of President Choi Hyu Hah and the opposition groups have been moving toward freer institutions without much rancor. The powerful business community has generally supported reform. However, some social breakdown like widespread student riots could bring a military crackdown which, if things really got out of control, could lead to further unrest. However, for the time being, South Korea seems relatively stable.

In Latin America, Cuba has found new opportunities for expanding its influence. A leftist coup in Grenada in March, 1979, and a Cuban supported Sandinista victory in Nicaragua in July have inspired the Cubans to once again promote revolution in their own backyard. Unlike the 1960s in which Havana's approach emphasized small guerrilla bands, the Cubans' plan to inspire broad based revolutionary movements by exploiting local grievances. The Cubans are encouraging revolutionaries from different Latin American countries to exploit the social and economic differences between various social classes and between the Indians and the Spanish speaking descendents of their conquerors. Cuban efforts are bearing fruit in Guatemala and especially El Salvador. As in Nicaragua, Havana is helping to ship men and arms into El Salvador—a country beset by violence on the left and right which threatens to engulf the reformist military-civilian junta in civil war. In Guatemala, the Guerrilla Army of the Poor has been trying to expand its base from radical university students to the oppressed Indians, who increasingly resent being conscripted into the army to fight the leftists. In some

Caribbean islands like Jamaica, widespread economic difficulties may foster a revolutionary climate. Jamaica has refused an IMF loan of \$150 million to help cover debts falling due this year. The conditions of the loan would have required budget cuts that would have slashed spending on social welfare programs and increased the unemployment rolls by 10,000-11,000. Yet if Jamaica defaults on its loans, the island will not be able to obtain credit for necessary imports like oil. If so, living standards will fall and political unrest will rise. Jamaica's Prime Minister Manley has stated that he will seek the necessary funds among "socialist-bloc countries." Thus, Cuban influence in the island may increase by default. Castro is also probably increasing his contacts with revolutionaries further afield like in Brazil and Argentina.

It is unlikely, however, that Castro will help install or sustain revolutionary governments with Cuban troops in Latin America as he has done in Africa. Burdened with Afghanistan, Moscow is not likely to want to bear, as it does in Angola and Ethiopia, the added expense of Cuban military adventures in the Western Hemisphere--an area of the world in which the Kremlin has generally evinced little interest. Disastrous sugar and tobacco harvests have severely hurt the Cuban economy. Thus, the Cubans are in no position to assume the cost of such military operations on their own.<sup>1</sup> More importantly, both Havana and Moscow would be concerned about the possibility of a U.S. military reaction against the communist island if Havana intervened forcefully in a region the U.S. considers vital.

### Conclusion

The future is clouded with possibilities. What is clear though is that events in Southwest Asia have highlighted the fragility of the world's peace and prosperity. The revolution in Iran has produced the conditions for economic and political problems throughout the world. Soviet involvement in Afghanistan has given further evidence that Moscow will take an activist course in the pursuit of its goals. Even hampered by their military commitment to Afghanistan, the Soviets will have numerous opportunities to exploit global instability. Economic difficulties will hamper the ability of the U.S. and the West in general to employ their superior economic resources to promote stability in vital regions. Thus, the U.S. may find itself forced to resort to military, including naval, instruments to protect its vital interests.

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1. Differences of opinion between Moscow and Havana over the value of encouraging revolution in Latin America in the 1960s soured relations between the communist states. Relations improved when Moscow and Havana cooperated for their separate reasons in military operations in Angola and Ethiopia. But Cuba's association with the Soviet Union has damaged its non-aligned credentials. The Soviet invasion of Afghanistan cost Cuba the Latin America seat on the UN security council. If Havana and Moscow should again differ on the value of promoting revolution in Latin America, relations could again deteriorate.

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